

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-363-C - ORDER NO. 1999-907  
DECEMBER 30, 1999

IN RE: Application of Navigator Telecommunications, LLC ) ORDER ✓ DJ  
for a Certificate of Public Convenience of Necessity to ) GRANTING  
Provide Interexchange Telecommunications Services ) CERTIFICATE  
within the State of South Carolina. )  
)

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Navigator Telecommunications, LLC (“Navigator” or the “Company”) for authority to provide interexchange telecommunications services in the State of South Carolina. The Company’s application was filed pursuant to S.C. Code Ann. Regs. 103-820, 103-840, and other applicable rules of practice and procedure of the South Carolina Public Service Commission.

The Commission’s Executive Director instructed Navigator to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Navigator’s Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Navigator complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or Protests were filed.

Navigator filed a Motion for Expedited Review of its Application. By its Motion, Navigator requested that the Commission grant expedited review of its application and

waive the requirement of a formal hearing on the application. In support of its Motion, Navigator offered that it had published the Notice of Filing, that no comments or Petitions to Intervene were filed regarding the application, and that the Commission had previously granted Navigator a Certificate of Public Convenience and Necessity to provide local telecommunications services in South Carolina (Docket No. 99-176-C, Order No. 1999-572 dated August 11, 1999). Navigator waived its right to a formal hearing on the application and stated that the Commission has the discretion under S.C. Code Ann. Section 58-9-280(A) to consider the application without a hearing. In support of the Motion and for consideration of the application, Navigator filed the verified testimony of Louis F. McAlister, Jr., President and Chief Executive Officer of Navigator.

Upon consideration of Navigator's Motion, the Commission finds and concludes that the Motion for Expedited Review should be granted. The Commission finds that a waiver of the formal hearing is in the public interest and will therefore consider the application without the necessity of the formal hearing. The Commission also notes that it recently granted a Certificate of Public Convenience and Necessity to Navigator allowing the Company to provide local telecommunications services within South Carolina and notes that the same witness would testify at a hearing on the instant application and would provide essentially the same information regarding the ability of Navigator to provide the requested services.

The verified testimony submitted by Mr. McAlister, President and Chief Executive Officer of Navigator, reveals that Navigator seeks to operate as a reseller of interexchange telecommunications services. As President and CEO of Navigator, Mr.

McAlister is responsible for corporate operations and financial management. The record reveals the Company, its operations, and customer service department are located in Little Rock, Arkansas. According to the verified testimony, Navigator seeks to provide interexchange telecommunications services to both residential and business customers and to other certified carriers within the State of South Carolina.

Regarding the Company's financial ability to provide services in South Carolina, the record reveals that as of June 30, 1999, Navigator's total current liabilities were \$390,311.38 and its total current assets were \$367,215.48. The Company's managerial team consists of Stephen L. Parr (Chairman of the Board and Chief Financial Officer), Travis L. Parr (Vice President of Marketing and Business Development), David A. Margolis (Vice President of Operations), Kenrick L. DeDoux (Vice President of Network Services), Hilgrove Gordon (Vice President of Human Resources), Michael McAlister (Director of Regulatory Affairs and Legal Counsel) and Mr. Louis McAlister. The Company is currently certified to provide its services in Arkansas, Missouri, Kansas, Texas, Kentucky, Florida, Michigan, California, Georgia, North Carolina, Tennessee, and Indiana; the Company has applications pending for certification in Oklahoma and Illinois. The verified testimony reveals Navigator will rely on the technical skills and expertise of its underlying carriers in South Carolina.

Navigator's customer service department has representatives available to answer customers' calls directly during regular business hours from 8:30 a.m. to 4:30 p.m. central time. The record reveals the Company's customer service department and repair representatives are available to assist customers twenty-four hours a day, seven days a

week. The Company's toll-free number, which is 888-662-6635, is printed on customers monthly bills.

According to Mr. McAlister's prefiled testimony, approval of Navigator's application is in the public interest of South Carolina consumers. The record reveals Navigator's presence in South Carolina as a reseller of interexchange telecommunications services will expand the availability of technologically advanced telecommunications facilities and services to South Carolina consumers. The verified testimony also indicates Navigator's presence in the market will afford consumers an additional choice of long-distance service providers. Finally, Navigator's presence in South Carolina will encourage other telecommunications providers to operate more efficiently, to offer more innovative services, to reduce their prices, and to improve their quality of service.

After full consideration of the applicable law, the Company's Motion for Expedited Review, the Company's Application, and the verified testimony of Mr. McAlister, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. Navigator is organized as a corporation under the laws of the State of Arkansas and its Articles of Incorporation are filed with the Secretary of State of South Carolina.
2. Navigator operates as a facilities-based and reseller of interexchange services and wishes to provide its services in South Carolina.
3. Navigator has the experience, capability, and financial resources to provide the services as described in its Application.

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Navigator to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design of Navigator for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Navigator shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Navigator shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the

general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1998).

4. If it has not already done so by the date of issuance of this Order, Navigator shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Navigator is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Navigator shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Navigator changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, Navigator shall comply with the terms of Order No. 93-462, Order Approving

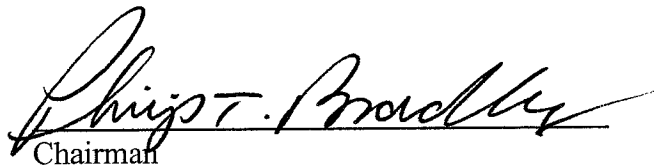
Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), and 47 CFR 51.209.

9. Navigator shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

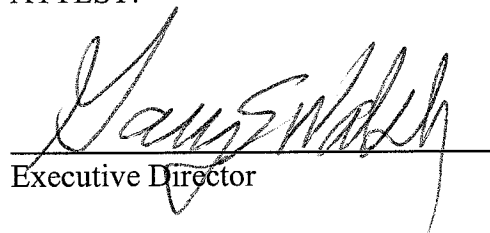
10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Navigator shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)



DOCKET NO. 1999-363-C - ORDER NO. 1999-907  
DECEMBER 30, 1999  
ATTACHMENT A

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S**

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
FEI NO.  
ADDRESS

\_\_\_\_\_  
CITY, STATE, ZIP CODE

\_\_\_\_\_  
PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR  
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT  
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS  
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME (PLEASE TYPE OF PRINT)

\_\_\_\_\_  
TITLE

## AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

### PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

\_\_\_\_\_  
Company Name ( Including dba Name(s) or Acronyms used or to be used in South Carolina)

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

A.

\_\_\_\_\_  
General Manager Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

B.

\_\_\_\_\_  
Customer Relations (Complaints) Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

C.

\_\_\_\_\_  
Engineering Operations Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

D.

\_\_\_\_\_  
Test and Repair Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

E.

\_\_\_\_\_  
Contact for Emergencies During Non-Office Hours (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

F.

\_\_\_\_\_  
Financial Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

G.

\_\_\_\_\_  
Customer Contact Telephone Number for Company (Toll Free)

\_\_\_\_\_  
This form was completed by

\_\_\_\_\_  
Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)  
or Utilities Department at (803-896-5105).**